

To the Members of the California State Senate:

I am returning Senate Bill X8 29 without my signature as it would undermine necessary actions taken to achieve budgetary and cash solutions.

This bill would exempt state civil service employees funded at least 95 percent by sources other than the General Fund, and employees of the Franchise Tax Board and the State Board of Equalization from furloughs. This bill also prohibits state agencies, boards, and commissions from implementing, or assisting with the implementation of, furloughs for such employees.

State employees throughout California are hard-working public servants who play a vital role in providing services to millions of Californians. But the depth and breadth of the state's unprecedented fiscal crisis required the state to achieve immediate budgetary savings in all areas of state government – including state payroll. That is why I implemented the furlough program last year as a temporary measure to achieve savings and to also provide the state with an additional cash management tool. It was also intended as a way to achieve savings in employee compensation as an alternative to deeper state employee layoffs. And as I indicated in my budget proposal, the current furlough program will end as scheduled on June 30th. Instead, I have proposed a package of employee compensation savings to be enacted by the Legislature.

It is necessary to apply furloughs across the board, with limited exemptions as needed to protect public health and safety, to effectively manage the workforce, and to avoid inequities and morale problems for state employees. Further, this bill as written would be difficult, if not impossible to implement. Many positions are funded through multiple funding sources and as such it is not always possible to determine if they are funded at least 95 percent by sources other than the General Fund.

Finally, this bill would limit the ability of future Governors to implement furloughs during a fiscal emergency. It is imperative that Governors have maximum flexibility to address such emergencies. As this is a matter presently before the courts, attempts to legislatively limit Governors' furlough authority are premature until a final judgment has been made.

For these reasons, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger